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State of Idaho  
Legislative Services Office  
Management Report

A communication to the Joint Finance-Appropriations Committee

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**IDAHO BRAND BOARD**  
**FY 2009, 2010, and 2011**

Report MR33111  
Date Issued: January 30, 2013

*Serving Idaho's Citizen Legislature*



Idaho Legislative Services Office  
Legislative Audits Division

## IDAHO BRAND BOARD

April Renfro, Manager

### SUMMARY

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#### PURPOSE OF MANAGEMENT REVIEW

We conducted a management review of the Idaho Brand Board (Board) covering the fiscal years ended June 30, 2009, 2010, and 2011. Our review covered general administrative procedures and accounting controls to determine that activities were properly recorded and reported.

The intent of this review was not to express an opinion, but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

#### CONCLUSION

We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the Board.

#### FINDINGS AND RECOMMENDATIONS

There are no findings and recommendations in this report or the prior report.

#### AGENCY RESPONSE

The State Brand Inspector has reviewed this report and is in general agreement with its contents.

#### FINANCIAL INFORMATION

The following financial data is for informational purposes only.

#### STATE BRAND BOARD – FISCAL YEAR 2011

Fund No.	Fund Title	Beginning Cash Balance	Receipts/ Transfers-in	Disbursements Transfers-out	Ending Cash Balance
229-15	State Brand Account (Operating)	\$ 394,422	\$ 2,300,001	\$ 2,326,232	\$ 368,191
229-16	Brand Board Recording Account (Holding)	280,120	258,751	294,000	244,871
	TOTALS	\$ 674,542	\$ 2,558,752	\$ 2,620,232	\$ 613,062

We discussed other issues which, if addressed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho and the Idaho Brand Board and is not intended to be used by anyone other than these specified parties.

A copy of this report is available at <http://www.legislature.idaho.gov/audit/auditsummaries.htm> or by calling 208-334-4832.

We appreciate the cooperation and assistance given to us by the State Brand Inspector, Larry Hayhurst.

**ASSIGNED STAFF**

James Combo, CPA, CGFM, Managing Auditor

Amy S. Brown, CPA, In-Charge Auditor

Justin Powell, Staff Auditor

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# STATE OF IDAHO

## IDAHO STATE POLICE

### IDAHO BRAND BOARD



Colonel G. Jerry Russell  
Director

January 15, 2013

C.L. "Butch" Otter  
Governor

Larry A. Hayhurst  
State Brand Inspector

Tom Basabe  
Board Chairman

Mr. James Combo CPA, CGFM  
Managing Auditor  
Legislative Audits  
P.O. Box 8320  
Boise, Idaho 83720-0054

RE: Legislative Audit FY 2009, 2010 and 2011

Dear Mr. Combo,

I would like to thank you, your entire staff and, especially, In Charge Auditor Ms. Amy Brown, and Staff Auditor Justin Powell.

As strange as it sounds, I truly embrace having a Legislative Audit. Every day we are spending hard-earned Idaho Livestock Industry monies. So, it feels good to have a 3<sup>rd</sup> party look over our shoulder, to insure that we are doing the best possible job utilizing/protecting those Industry funds. Including, correcting and/or offering solutions/knowledge of ways to do things more efficiently.

Having said that, it doesn't mean that I always agree or disagree with some of the issues brought to the surface. But what I do always agree on, is that every time we have been audited over the years, whether or not we have findings, we have always come away from the table, better educated, with a better understanding and better prepared to do things right and at the end of the day, this Audit was no different.

Sir, I wish to specifically thank you for the work both Auditor In Charge Amy Brown and Staff Auditor Justin Powell performed. Both worked very hard, stayed on task, were very professional and neither had any hesitation in asking and scrutinizing all those hard questions no one likes. I should mention, as far as asking the hard questions, it seems none of your Auditors ever hesitate with that...

My understanding is that Ms. Brown was new, but not new to this job. She is obviously smart as a whip, doesn't miss much and I believe she would take a "sorting stick" to you in a heartbeat, if she thought it necessary, to get your attention... Young Justin Powell, extremely intelligent, fully understood the mission and certainly not afraid to jump in with both feet... Both of these individuals are tremendous assets for your shop... Needless to say, we all were impressed, so, "Kudos" to both.

We will look forward to working with you folks on the next one.... Thank You!!!

Sincerely,

Larry A. Hayhurst  
State Brand Inspector

P.O. Box 1177, Meridian, Idaho 83680-1177 • (208)884-7070 • FAX (208)884-7097

EQUAL OPPORTUNITY EMPLOYER



# STATE OF IDAHO

## IDAHO STATE POLICE

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#### AGENCY RESPONSE

I would like to thank the Legislative Service's Office and Managing Auditor, Mr. James Combo for our FY 2009 thru FY 2011 Legislative Audit.

Mr. Combo's audit team; In Charge Auditor Amy Brown and Staff Auditor Justin Powell, did a very thorough and professional job. As always, we appreciate the audit and, of course, the outcome.

However, even though there were no findings, it doesn't mean there were not efficiencies identified which should be upgraded and further enhanced. We gained valuable expertise, knowledge and innovative ideas from these two professionals to help us move forward with continuing improvements.

The Idaho Brand Board welcomes the Legislative Audit process, as again, we are spending hard-earned Idaho Livestock Industry money and it is imperative we honor their trust in the most prudent, efficient and accountable fashion. Thank You!

# APPENDIX

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## HISTORY

Prior to 1905, the official recording of livestock brands during the territorial period and early statehood was done on the county level. Recording brands as a State responsibility began in 1905, with legislation that made the State Controller the ex-officio State Recorder of Brands. The following is a chronology of the State agency responsible for recording livestock brands to their owners.

1905-1911	State Controller – Session Laws 1905, page 352
1911-1919	State Veterinary Surgeon – Session Laws 1911, Chapter 91, page 338
1919-1939	Department of Agriculture – Session Laws 1919, Chapter 8, page 43
1939-1943	State Brand Inspector and Bureau of Brands and Marks within the Department of Agriculture – Session Laws 1939, Chapter 268, page 661
1943-1947	Idaho State Police – Session Laws 1943, Chapter 70, page 147
1947-1974	State Brand Board (State Brand Inspector) established, and all duties transferred to the Brand Board – Session Laws 1947, Chapter 88, page 149
1974-Present	State Brand Inspector placed under State Brand Board within Idaho State Police

The Board and the Idaho State Police provide reciprocal support in some complex areas. Currently, the Board is generally operating as a separate agency except in the areas of budgeting, major purchases, and personnel actions, where it is given assistance by the Idaho State Police. Brand inspectors in the field assist law enforcement agencies in cases of emergency, such as instances where a traffic accident occurs and the brand inspector is the first to arrive on scene.

## STATUTORY AUTHORITY

Statutory authority for the Board was recodified in 1988 and is now found in Title 25, Chapter 11 of the Idaho Code.

## PURPOSE

The purpose of the Board is to prevent and, where possible, reduce the theft and loss of livestock in Idaho. In 1974, the mandatory brand inspection system was enacted as a part of the revised brand law, wherein proof of livestock ownership must be shown before livestock is transferred to a new owner.

## FUNDING

STATE REGULATORY FUND 0229 – The State Regulatory Fund is the primary fund utilized by the Board. The Board receives its funding from fees for livestock inspections, registrations, transfers and renewal of brands, sale of brand books, and interest on brand and renewal fees. Fees are received by the Board for collecting and remitting funds to the Idaho Beef Council, the Idaho Horse Board, and the Idaho Department of Agriculture.

**ORGANIZATION**

The Board consists of five members appointed by the Governor to five-year terms. The Board appoints the State Brand Inspector who manages the Board's daily operation. The State Brand Inspector and clerical staff are located in Meridian. The total number of staff employed by the Board in fiscal year 2011 was 55, of whom 39 are permanent and 16 are part-time. The Board has four district offices located in Caldwell, Idaho Falls, Lewiston, and Twin Falls. Each district has a supervisor to whom the brand inspectors report.

